

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006**

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# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

## ACCOUNTANT'S REPORT

The Honorable Board Members  
Wayne County Sanitation Special Service District  
Loa, Utah 84747

We have reviewed the accompanying financial statements of the governmental activities of Wayne County Sanitation Special Service District, a component unit of Wayne County, as of and for the year ended December 31, 2006, which comprise the District's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Wayne County Sanitation Special Service District.

A review consists principally of inquiries of District personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management's discussion and analysis and budgetary comparison information on pages 4 through 7 and 24 through 25, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.



KIMBALL & ROBERTS, P. C.

Certified Public Accountants

May 24, 2007  
Richfield, Utah

## **Wayne County Sanitation Special Service District Management's Discussion and Analysis**

The discussion and analysis of Wayne County Sanitation Special Service District "District" financial performance provides an overview of the District's financial activities for the year ending December 31, 2006. This report is in conjunction with the District's financial statements, which are part of this report.

The purpose of the Wayne County Sanitation Special Service District is to construct, repair, and maintain all of the facilities and improvements to provide total garbage and sanitation services to all unincorporated and incorporated areas in Wayne County together with acquisition of necessary facilities, appurtenances and equipment.

### **Financial Highlights:**

- The assets of District exceeded its liabilities as of the close of the most recent year by \$324,921 (*Net Assets*). This amount may be used to meet the government's ongoing obligations to citizens and creditors.
- The District's total net assets increased by \$1,012. The revenues were more than final budgeted amounts, and expenditures were less than the adopted budgeted amounts.
- At the end of the current year, unreserved fund balance for the District was \$303,002, or 94% of total expenditures.
- The District's total debt decreased by \$35,000. Ending balance of total debt was \$366,000. See notes to financial statements for amortization of this revenue bond debt.

### **Using This Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Wayne County Sanitation Special Service District as a whole and present a longer-term view of the District's finances.

### **Reporting the District as a Whole**

The District realizes revenues from sanitation fees, State PILT and investment earnings on cash deposits.

### **Government-wide financial analysis**

The largest portion of the District's assets are capital assets, which represent 57% of the total assets and comprise of land, buildings, improvements and equipment. The District uses these assets to provide sanitation services to the citizens of Wayne County. The total debt outstanding at year end was \$366,000. It should be noted that the resources needed to repay this debt must be provided from sanitation fees, State PILT and investment earnings on cash deposits.

### **Budgetary Highlights**

There were no changes in the beginning and final budget for the District. The total budgeted revenues for the year were \$323,010.



**Wayne County Sanitation Special Service District  
Management's Discussion and Analysis (Continued)**

**Capital Asset and Debt Administration**

The District's investment in capital assets at December 31, 2005 was \$387,919, (net of accumulated depreciation). This includes land, buildings, improvements and equipment. The total increase in the District's capital assets for the current year was \$23,000. The District has decided to use \$5,000 as an amount to be capitalized. Assets costing less are expensed.

**Long-term debt**

At the end of the current year, the District had total bonded debt outstanding of \$366,000. Additional information on the District's long-term debt can be found in the notes to the financial statements.

**Contacting the District**

This financial report is designed to provide the citizens with a general overview of the District's finances and to show accountability for the money it receives. If you have questions about his report or need additional financial information, contact Chairman, Allen Jones, 18 South Main, Loa, UT 84747.

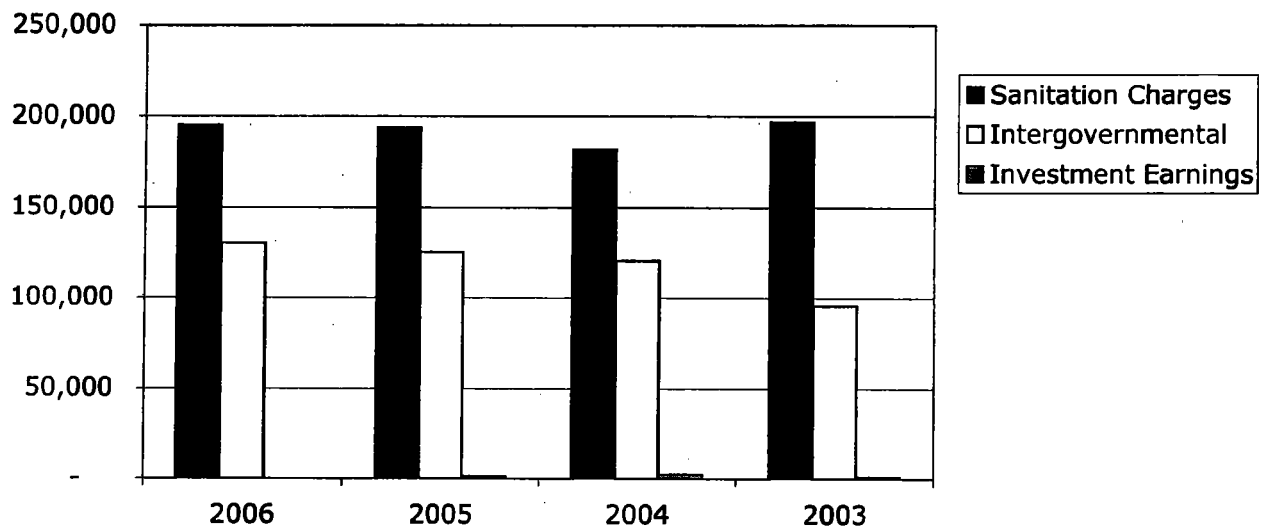
**Condensed Financial Statements:**

	<u>2006</u>	<u>2005</u>		<u>2006</u>	<u>2005</u>
Assets:			Revenues:		
Current	303,002	286,458	Charges for Services	208,757	193,654
			Intergovernmental	130,619	125,628
Non-Current	<u>387,919</u>	<u>438,451</u>	Interest Earnings	-	1,500
Total Assets	<u>690,921</u>	<u>724,909</u>	Total Revenues	<u>339,376</u>	<u>320,782</u>
Liabilities:			Expenditures:		
Current	36,000	-	Current	326,334	304,713
Long-Term	<u>330,000</u>	<u>401,000</u>	Interest on Debt	<u>12,030</u>	<u>13,050</u>
Total Liabilities	<u>366,000</u>	<u>401,000</u>	Total Expenditures	<u>338,364</u>	<u>317,763</u>
Net Assets:					
Invested in Capital Assets	21,919	-	Change in Net Assets	1,012	3,019
Unrestricted	<u>303,002</u>	<u>323,909</u>	Beginning Net Assets	<u>323,909</u>	<u>320,890</u>
Net Assets	<u>324,921</u>	<u>323,909</u>	Ending Net Assets	<u>324,921</u>	<u>323,909</u>

**Wayne County Sanitation Special Service District  
Revenue - Five Year Comparison**

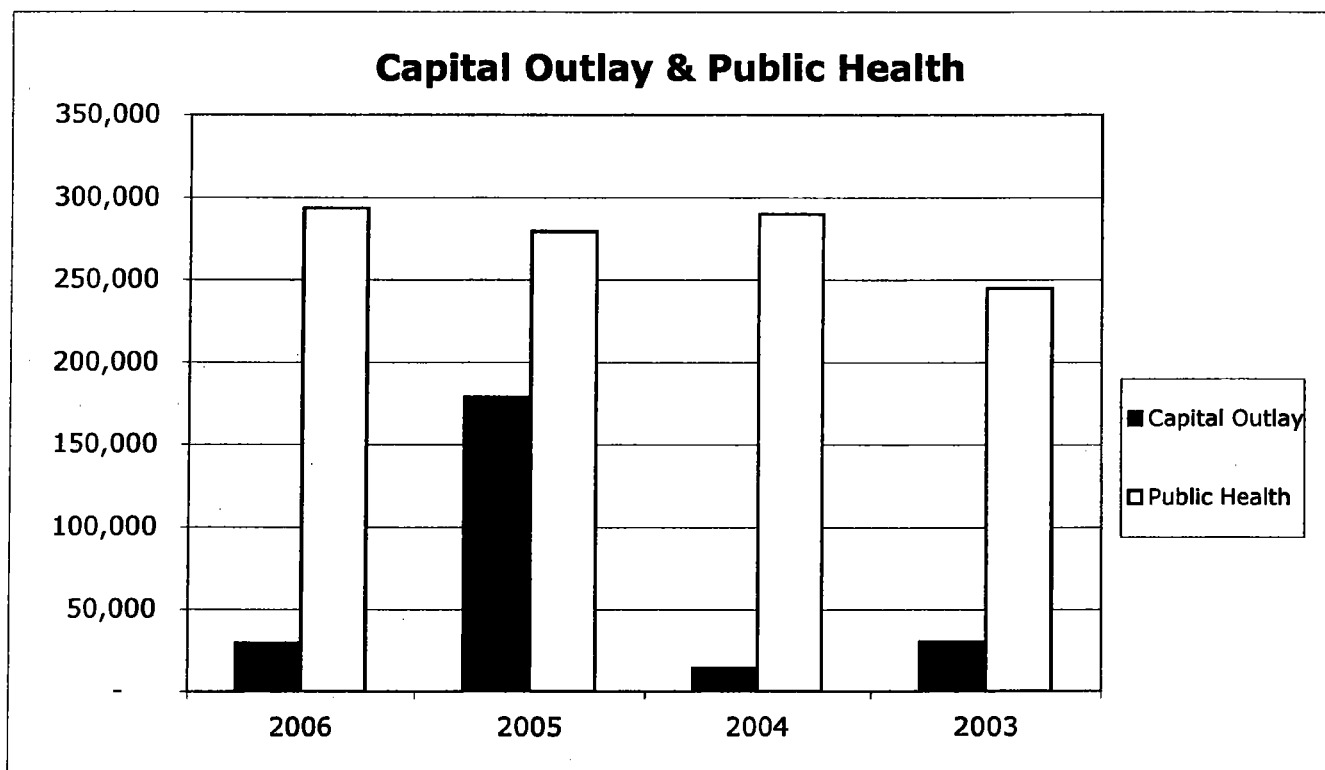
	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Sanitation Charges	195,041	193,654	181,853	196,888
Intergovernmental	130,619	125,628	120,637	95,612
Investment Earnings	-	1,500	2,309	972
<b>Total</b>	<b>325,660</b>	<b>320,782</b>	<b>304,799</b>	<b>293,472</b>

**Revenue-Four Year Comparison**



# Wayne County Sanitation Special Service District Expenditures - Four Year Comparison

	2006	2005	2004	2003
Public Health	293,558	279,381	289,886	245,005
Capital Outlay	29,274	178,740	14,231	30,000
Total	322,832	458,121	304,117	275,005



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# **BASIC FINANCIAL STATEMENTS**

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**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT  
STATEMENT OF NET ASSETS**

**December 31, 2006**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Investments	<u>303,002</u>
Total Current Assets	<u>303,002</u>
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	<u>387,919</u>
Total Noncurrent Assets	<u>387,919</u>
TOTAL ASSETS	<u>690,921</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Revenue Bonds Payable - Due Less Than One Year	36,000
Noncurrent Liabilities:	
Revenue Bonds Payable - Due More Than One Year	<u>330,000</u>
TOTAL LIABILITIES	<u>366,000</u>
<b>NET ASSETS</b>	
Invested In Capital Assets, Net of Related Debt	21,919
Unrestricted	<u>303,002</u>
TOTAL NET ASSETS	<u>324,921</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>690,921</u></u>

See accompanying notes and accountant's report.

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT  
STATEMENT OF ACTIVITIES**

**For The Year Ended December 31, 2006**

		<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants/ Contributions</u>	<u>Governmental Activities</u>
<b>Functions/Programs:</b>				
<b>Governmental Activities:</b>				
Public Health	326,334	208,757	130,619	13,042
Interest on Long-Term Debt	12,030	-	-	(12,030)
<b>TOTAL REVENUES</b>	<u>338,364</u>	<u>208,757</u>	<u>130,619</u>	<u>1,012</u>
<b>General Revenues:</b>				
Unrestricted Investment Earnings				-
<b>Total General Revenues</b>				-
<b>Changes in Net Assets</b>				1,012
<b>Net Assets - Beginning</b>				<u>323,909</u>
<b>Net Assets - Ending</b>				<u><u>324,921</u></u>

See accompanying notes and accountant's report.

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS**

December 31, 2006

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Investments:	
Unrestricted	185,632
Assessments Receivable	<u>117,370</u>
<b>TOTAL ASSETS</b>	<u><u>303,002</u></u>
<b>LIABILITIES AND FUND EQUITY</b>	
Liabilities	<u>-</u>
Fund Equity:	
Unreserved	<u>303,002</u>
<b>Total Fund Equity</b>	<u><u>303,002</u></u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>303,002</u></u>

See accompanying notes and accountant's report.

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT  
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS**

**December 31, 2006**

Total Fund Balances - Governmental Fund Types	303,002
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Amounts reported for governmental activities in the statement of net assets  
are different because:

Capital assets used in governmental activities are not financial resources  
and, therefore, are not reported in the funds:

Land	2,000	
Buildings	119,997	
Improvements Other Than Buildings	1,680	
Equipment	<u>264,242</u>	

Total (Net of Depreciation)	387,919
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Long-term liabilities, including bonds payable, are not due and payable in  
the current period and, therefore, are not reported in the funds:

Revenue Bonds Payable	<u>(366,000)</u>
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Net Assets of Government Activities	<u><u>324,921</u></u>
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**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS**

**For The Year Ended December 31, 2006**

	<u>General Fund</u>
<b>Revenues:</b>	
Intergovernmental	130,619
Charges for Services	195,040
Other Revenue	<u>13,717</u>
 Total Revenues	 <u>339,376</u>
 <b>Expenditures:</b>	
Current Expenditures:	
Public Health	246,528
Debt Service	47,030
Capital Outlay	<u>29,274</u>
 Total Expenditures	 <u>322,832</u>
 Net Change in Fund Balance	 16,544
 Fund Balance - Beginning	 <u>286,458</u>
 Fund Balance - Ending	 <u><u>303,002</u></u>

See accompanying notes and accountant's report.

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For The Year Ended December 31, 2006**

Amounts reported for governmental activities in the statement of activities  
are different because:

Net Changes in Fund Balances - Total Governmental Funds	16,544
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlay	23,000	
Depreciation	<u>(73,532)</u>	
 Total		 (50,532)

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal Payment on Revenue Bonds	<u>35,000</u>
Changes In Net Assets of Governmental Activities	<u><u>1,012</u></u>

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Wayne County Sanitation Special Service District, a component unit of Wayne County, was created by the adoption of a resolution to establish a special service district by the Wayne County Commissioners on September 10, 1993. The District was authorized to construct, repair and maintain all of the facilities and improvements to provide total garbage and sanitation services to all unincorporated and incorporated areas in Wayne County together with acquisition of necessary facilities, appurtenances and equipment. The Special Service District's Administrative Control Board consists of five (5) members, each of whom was appointed by the Board of Commissioners. The Board of Commissioners shall appoint the initial three members to serve two year terms and the remaining two members to serve four year terms. The Board members, at their initial meeting, elected a chairperson and a secretary to serve such terms as the board shall determine.

**B. Government-Wide and Fund Financial Statements**

The Statement of Net Assets and the Statement of Activities display information about the District, the primary government, as a whole. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

State revenue sources and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental fund:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government. The District's only fund is the General Fund

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments:**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Capital Assets:**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 Years
Equipment	5 - 10 Years

**Long-Term Obligations:**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity:**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

**E. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 2 - BUDGET PROCESS**

Wayne County Sanitation Special Service District has properly adopted required budgets for 2006. Changes to the adopted budget were properly made by resolution and public hearing of the District. The District follows the budgetary practices and procedures required by State law.

These requirements are summarized as follows:

1. A formal budget is adopted by the District.
2. The budget is a complete financial plan that identifies all estimated revenues and all appropriations for expenditures for the year. The budget must balance - that is estimated revenues and expenditures must equal.
3. On or before November 1, the District Manager prepares a tentative budget and files it with the Board of Trustees.
4. The tentative budget is a public record and is available for public inspection for at least ten days prior to public hearings held to consider adoption of the budget.
5. Notice of the scheduled public hearing is published at least ten days prior to the meetings.
6. Public hearing are held on the tentatively adopted budget. Members of the public may comment on the budget and recommend changes to the Board of Trustees.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

**Deposits:**

At year-end, the carrying amount of the Special Service District's deposits was \$189,600. Of this amount \$100,000 was covered by federal depository insurance. Utah State statutes do not require deposits to be collateralized, however, financial institutions must be approved by the State Money Management Council.

Cash and investments as of December 31, 2006, consist of the following:

	<u>Fair Value</u>
Demand Deposits	189,600
Investments - PTIF	<u>113,402</u>
Total Cash and Investments	<u><u>303,002</u></u>

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities - Unrestricted	<u>303,002</u>
Total Cash and Investments	<u><u>303,002</u></u>

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that District funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations.

Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits and investments for local government are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Management Council ("the Council"). Following are discussions of the local government's exposure to various risks related to its cash management activities.

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk:**

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2006, \$89,000 of the local government's bank balances of \$189,600 were uninsured and uncollateralized.

**Credit Risk:**

Credit risk is the risk that the counterparty of an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the Money Management Act.

The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended December 31, 2006, the local government has investments of \$113,402 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

**Interest Rate Risk:**

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investments mainly in the PTIF and by adhering to the Money Management Act. The act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**Concentration of Credit Risk:**

Concentration of credit risk the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.



**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 4 - CAPITAL ASSETS**

Capital Assets activity for the year ended December 31, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Capital Assets Being Depreciated:				
Buildings	172,531	-	-	172,531
Improvement Other Than Buildings	12,500	-	-	12,500
Equipment	<u>653,740</u>	<u>23,000</u>	<u>-</u>	<u>676,740</u>
Total Capital Assets Being Depreciated	<u>838,771</u>	<u>23,000</u>	<u>-</u>	<u>861,771</u>
Less Accumulated Depreciation For:				
Buildings	48,356	4,178	-	52,534
Improvement Other Than Buildings	9,990	830	-	10,820
Equipment	<u>343,974</u>	<u>68,524</u>	<u>-</u>	<u>412,498</u>
Total Accumulated Depreciation	<u>402,320</u>	<u>73,532</u>	<u>-</u>	<u>475,852</u>
Total Capital Assets Being Depr. (Net)	<u>436,451</u>	<u>(50,532)</u>	<u>-</u>	<u>385,919</u>
Governmental Activities Capital Assets (Net)	<u>438,451</u>	<u>(50,532)</u>	<u>-</u>	<u>387,919</u>

Depreciation was allocated as follows:

Public Health	73,532
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**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 5 - GENERAL LONG-TERM DEBT**

During 1995 the Special Service District obtained a loan from the Community Impact Board for the purchase of fixed assets to operate the County landfill. The terms of the loan require a payment of approximately \$47,000 per year including interest at 3%.

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	36,000	10,980	46,980
2008	37,000	9,900	46,900
2009	38,000	8,790	46,790
2010	39,000	7,650	46,650
2011	41,000	6,480	47,480
2012-2016	<u>175,000</u>	<u>13,320</u>	<u>188,320</u>
	<u>366,000</u>	<u>57,120</u>	<u>423,120</u>

The following is a schedule of changes in long-term debt:

	Balance December 31, <u>2005</u>	<u>Issued</u>	<u>Retired</u>	Balance December 31, <u>2006</u>
Community Impact Board	<u>401,000</u>	<u>-</u>	<u>35,000</u>	<u>366,000</u>

**NOTE 6 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Utah Association of Counties Insurance Mutual, a self-funded risk financing pool administered by the Utah Association of Counties. Through the Mutual, the District maintains general liability, errors and omissions, flood, earthquake, newly acquired property, builders risk, unscheduled locations, and crime. The Mutual is reinsured through commercial companies in excess of \$150,000 for property to a limit of \$50,000,000 and \$250,000 for liability to a limit of \$750,000 with a combined excess aggregate of \$1,000,000 to 1,350,000. The Mutual does not provide coverage for all risks and hazards, however, the District has obtained coverage for these risks through other commercial carriers for employee accidental death and dismemberment, workers compensation, and surety bond coverage.

Claims have not exceeded coverage in any of the last three calendar years.

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**REQUIRED SUPPLEMENTARY  
INFORMATION  
"UNAUDITED"**

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**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**For The Year Ended December 31, 2006**

**Budgetary Comparison Schedules:**

The Budgetary Comparison Schedules presented in this section of the report are for the District's General Fund.

**Budgeting and Budgetary Control:**

Budgets for the General Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the District's Board prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Board through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Intergovernmentals:				
Intergovernmental Revenue	124,000	124,000	130,619	6,619
Charges for Services	185,000	185,000	195,040	10,040
Miscellaneous Revenue	14,010	14,010	13,717	(293)
Total Intergovernmental	<u>323,010</u>	<u>323,010</u>	<u>339,376</u>	<u>16,366</u>
<b>Expenditures:</b>				
Current:				
General Government	225,960	225,960	246,528	(20,568)
Capital Outlay	50,000	50,000	29,274	20,726
Debt Service:				
Principal	37,050	37,050	35,000	2,050
Interest	10,000	10,000	12,030	(2,030)
Total Expenditures	<u>323,010</u>	<u>323,010</u>	<u>322,832</u>	<u>178</u>
Excess Revenues Over Expenditures	<u>-</u>	<u>-</u>	16,544	<u>16,544</u>
Fund Balance - Beginning			<u>286,458</u>	
Fund Balance - Ending			<u>303,002</u>	

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Intergovernmentals:				
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Fund Balance - Beginning			<u>286,458</u>	
Fund Balance - Ending			<u>303,002</u>	

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
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Excess Revenues Over Expenditures	<u>-</u>	<u>-</u>	16,544	<u>16,544</u>
Fund Balance - Beginning			<u>286,458</u>	
Fund Balance - Ending			<u>303,002</u>	

**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
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Fund Balance - Beginning			286,458	
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**WAYNE COUNTY SANITATION SPECIAL SERVICE DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
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Fund Balance - Beginning			<u>286,458</u>	
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